



CITY EMPLOYEES SUPPLEMENTAL RETIREMENT SYSTEM BOARD OF TRUSTEES

OCTOBER 26, 2007

LEGAL ACTION REPORT

- A. Investment Activity / Status Report
 - 1. Hewitt Associates – TSRS performance report for 3rd Qtr. of 2007 – Rob Van Den Brink, Mark Klimek – **Report received, no action taken.**
 - 2. Comments on investment manager performance - **Report received, no action taken.**
 - 3. TSRS portfolio composition, transactions and individual investments, securities lending summary thru 8/31/07 and performance by manager for the quarter ending 9/30/07
Report received, no action taken.
 - 4. Discussion of Asset Liability Study – w/ actuarial commentary on stochastic, deterministic rate assumptions
Report received, no action taken.
- B. Annual Manager Review and Market Outlook - Pacific Investment Management Company (PIMCO) – Scott Roney, Jesse Pricer
 - 1. Fixed Income Account – **Report received, no action taken.**
 - 2. StocksPlus Account – **Report received, no action taken.**
- C. Actuary Report – Gabriel, Roeder, Smith & Associates - Leslie Thompson, Rick Roeder
 - 1. Results of Valuation Analysis for plan year ended June 30, 2007
 - a. General commentary on this year's valuation & review of sources for actuarial gains / losses
Report received, no action taken.
 - b. Recommended contribution rate for plan year beginning July 1, 2008
Motion to approve actuary's recommended contribution rate for FY 2009, passed 7 to 0.
 - c. Discussion of progress on TSRS unfunded actuarial accrued liability
Report received, no action taken.
 - d. Actuarial Insights/comments/observations
Report received, no action taken.
 - 2. Educational Topics
 - a. Review of service purchase liability for transfer of library employees to Pima county
Report received, additional study requested.
 - b. End of service program incentive analysis, capping the number of benefit accrual years for current active participants
Report received, additional study requested.
- D. Plan Design Considerations
 - 1. Amendments to 22-34 membership relating to optional and mandatory membership in the system – **Report received, no action taken.**
 - 2. Amendments to 22-53 end of service incentive
Motion to approve end of service incentive pending Mayor & Council approval, 5 to 2.
 - 3. Adding 22-55 to provide for the purchase of permissive service credit
Motion to approve the addition of 22-55 to Code, allowing the purchase of permissive service credit with a maximum of 5 years allowed, passed 7 to 0.
 - 4. Amendments to 22-51 end of service program

Motion to approve the amendment to Sec. 22-51 of the end of service program reducing the 90 days advance notice to 10 days advance notice, passed 7 to 0.

5. Amendments to 22-50 Early Retirement Option

Motion to approve amendment to Sec 22-50 changing the Rule of 75 from attaining age 55 with 20 years of service to any combination totaling 75, passed 7 to 0.

E. Consent Agenda

1. Approval of September 27, 2007 TSRS Board meeting minutes

2. Service & Disability retirement facts and figures report for October 2007

Motion to approve the ratification of retirees as listed except for the participants in the End of Service program, pending notification of participation in the End of Service Incentive program, passed 7-0.

3. June 30, 2007 TSRS Financials

Motion to approve items E1 and E3 as presented, passed 7 to 0.

F. Disability Retirement Applications*

1. Karen Riggs

Motion to deny the disability retirement for Karen Riggs, passed 7 to 0.

G. Macquarie Securities, U.S.A. – Infrastructure Investing (Investment Education) – Brian Clarke

Report received, no action taken.

H. Hewitt Associates – Active vs. Passive Management of the TSRS portfolio (Investment Education)

- Rob Van Den Brink, Mark Klimek

Report received, no action taken.

I. Pension Database/Software - Progress Report

Report received, no action taken.

J. Report on Government Finance Officers Association, Committee on Retirement Benefits Administration

Recommended Practices written during 2007

1. Essential Design Elements of Defined Benefit Retirement Plans

2. Essential Design Elements of Hybrid Retirement Plans

Report received, no action taken.

K. Call to Audience

L. Future Agenda Items

Infrastructure Education

Proposed amendment to Sec. 22-49D.

Julius Baer – December

Causeway – January

JPMorgan – February

Iran Divestiture Report – January

M. Adjournment

Motion to adjourn, passed 7 to 0.